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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91205542
Party	Defendant Baker Hughes Incorporated
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Halliburton Energy Services, Inc.	§	
	§	Opposition No. 91205542
Opposer/Respondent,	§	
	§	Application Serial No. 85/402,715
v.	§	
	§	Mark: VACS
Baker Hughes Incorporated,	§	
	§	
Applicant/Petitioner.	§	

SECOND AMENDED PETITION FOR CANCELLATION

Pursuant to TBMP § 503.03, Applicant/Petitioner Baker Hughes Incorporated files this its Second Amended Petition for Cancellation, and respectfully shows:

I. PARTIES

1. Baker Hughes Incorporated ("Baker Hughes") is a Delaware corporation located and doing business in Houston, Texas. Baker Hughes is the owner of U.S. Trademark Application Serial No. 85/402,715 seeking to register the mark VACS for "mechanical downhole equipment for use in oil, gas and water wells, namely, downhole tool for removing debris from, and otherwise cleaning, wellbores and downhole casing and tubing." U.S. Trademark Application Serial No. 85/402,715 was filed August 19, 2011, and claims a first use of the mark VACS on the listed goods at least as early as October, 1998, and a first use in commerce at least as early as July 14, 1999. This application is presently pending and has been published pursuant to 15 U.S.C. § 1062. Upon publication, Respondent initiated an opposition proceeding against Baker Hughes' application.

2. Upon information and belief, Respondent Halliburton Energy Services, Inc. ("Opposer" or "Respondent") is a Delaware corporation located and doing business at 10200 Bellaire Blvd., Houston, Texas 77072. Respondent is the owner of record of the U.S. Trademark

Registration No. 3,738,313 ("the '313 Registration"). The '313 Registration was registered on January 12, 2010, for "drilling machines; drilling machines and parts therefor."

3. Baker Hughes believes that it is being, and will continue to be, damaged by the '313 Registration and hereby petitions to cancel the '313 Registration based upon the following grounds.

II. FACTS

A. Background of the '313 Registration

4. The trademark application that resulted in the issuance of the '313 Registration for the mark VAC TECH was filed on December 21, 2006, for "drilling machines; drilling machines and parts thereof" and assigned United States Trademark Application Serial No. 77/069,596 ("the '596 Application"). The '595 Application was filed under Section 1(b) by Respondent's predecessor-in-interest, Wellbore Energy Solutions, LLC.

5. On December 28, 2006 the United States Patent and Trademark Office ("USPTO") assigned the '596 application the pseudo mark VACUUM TECH.

6. The USPTO mailed an Office Action on March 13, 2007 that refused registration of Respondent's mark VAC TECH under Section 2(e)(1) because the proposed mark "merely described a function of the [Respondent]'s goods." In particular, the March 13, 2007 Office Action stated:

> "Here, [Respondent]'s goods are drilling machines, as described by [Respondent] in the application. Drilling involves using vacuum technology to remove dirt and rock. Vacuum excavation comprises a good portion of horizontal excavation especially. Attached Internet evidence shows that vacuums are commonly sold with and as a part of drilling equipment, that vacuum excavation is a separate service regularly performed and advertised by drilling and industrial vacuum companies, and that vacuuming is done as a part of the drilling process. The attached Internet dictionary evidence also shows that "TECH" is a shortened form of the word "technology," and that "VAC" is a shortened form of the word

> "vacuum." Additionally, the attached U.S. Registrations show that the Office has required disclaimer of "TECH" and "VAC" as descriptive of goods.
>
> The combination of the two terms "VAC" and "TECH" does nothing to obviate the descriptiveness of either term; in fact, it does the opposite making the wording more descriptive. [Respondent]'s proposed mark merely describes [Respondent]'s goods – vacuum technology – so the mark is refused registration."

7. Respondent's attorney of record traversed the merely descriptive refusal of the March 13, 2007 Office Action by stating in a Response to Office Action filed on September 14, 2007:

> "The Examining Attorney has rejected the mark "VAC TECH" as allegedly merely descriptive. The Examiner cites reproductions of web pages using the term "Vacuum". However, no where is the term "VAC" cited in connection with specific machines or drilling processes. The word "VAC", without more, does not describe or identify a particular drilling machine or a type of drilling operation. The Examiner contends that the term "VAC" merely describes vacuuming that is done as a part of the drilling process. The Examiner, however, has not shown that the oilfield industry uses the word "VAC". Furthermore, the documents cited by the Examiner show that "vac" is not solely a shortened version of "vacuum". Instead, "vac" may be a shortened version of several different words that have no relation to "vacuum", e.g., vacancy and vacant. Accordingly, the rejection is not proper and should be removed."

8. On October 2, 2007, Respondent's attorney of record authorized the Trademark Examining Attorney to amend the '596 Application from the Principal Register to the Supplemental Register, and to add the following disclaimer statement to the record: "[n]o claim is made to the exclusive right to use "TECH" apart from the mark as shown." The Trademark Examining Attorney entered the amendments by Examiner Amendment the same day.

9. On October 23, 2007, the USPTO mailed a second Office Action explaining that the Examiner Amendment entered on October 2, 2007 was improper because an applicant may not amend its application to seek registration on the Supplemental Register until an acceptable

amendment to allege use under 37 C.F.R. § 2.76 has been timely filed, and re-urged the merely descriptive refusal.

10. Respondent responded to the second Office Action on April 23, 2008 by including an allegation of use and requesting registration on the Supplemental Register.

11. The Trademark Examining Attorney issued a final Office Action on May 15, 2008 re-urging the merely descriptive refusal and explaining that:

> "[Respondent]'s response, dated April 23, 2008, states that the [Respondent] is filing an 'accompanying statement of use.' However, no such statement of use had been filed."

12. On November 17, 2008, Respondent's attorney of record filed an Amendment to Allege Use asserting that the mark had been first used in commerce at least as early as May 31, 2008 on or in connection with the applied-for goods; namely, "drilling machines; drilling machines and parts therefor," as well as a specimen described as a "hang tag with the mark printed clearly thereon."

13. Two days later, the Trademark Examining Attorney mailed an Abandonment Notice that stated that the November 17, 2008 Amendment to Allege Use was an incomplete response to the Office Action issued/mailed on May 15, 2008, because the specimen submitted by Respondent was unacceptable. The Trademark Examining Attorney stated:

> "The originally submitted specimen is unacceptable because it appears to be temporary in nature. Specifically, the specimen is identified as a hang tag for drilling machines and parts therefore. The specimen appears as a photocopied piece of paper that appears to have the words "VAC TEC" applied using a label maker or similar printing device. The specimen does not appear to be a valid use of the mark in commerce.
>
> Because the specimen does not support use, the mark may not be amended to the Supplemental Register. Trademark Act Section 23, 15 U.S.C. §1091; 37 C.F.R. §§2.47 and 2.75(a); TMEP §§801.02(b), 815 and 816 *et seq*.

> For the above reasons, the [Respondent]'s response does not overcome the final refusal to register the mark as being merely descriptive of the goods. *See* 15 U.S.C. §1052(e)(1); 37 C.F.R. §2.64(a)."

14. On April 1, 2009, Respondent filed a Second Amendment to Allege Use asserting that the mark had been first used in commerce at least as early as May 31, 2008 on or in connection with the applied-for goods; namely, "drilling machines; drilling machines and parts therefor," as well as a second specimen described as "brochure/advertising materials."

15. The Trademark Examining Attorney, on May 13, 2009, issued an Office Action, that superseded the abandonment notice dated November 19, 2008, and stated that the abandonment notice was issued in error. The May 13, 2009 Office Action further rejected the specimen submitted on April 1, 2009 because: "it consists of advertising material for goods. Section 45 of the Trademark Act requires use 'on the goods or their containers or the displays associated therewith or on tags or labels affixed thereto.' 15 U.S.C. §1127; *see* 37 C.F.R. §2.56(b)(1); TMEP §§904.04(b)-(c). Respondent lists the specimen as 'brochure/advertising material' which appears to be an acknowledgement that the specimen consists of advertising."

16. Six months later, on November 13, 2009, Respondent, through its attorney of record, submitted a further Response to Office Action stating:

> "In response to the rejection of the specimen of use submitted April 1, 2009, [Respondent] respectfully asserts that the characterization of the specimen in the Allegation of Use as "brochure/advertising" was a misnomer on [Respondent]'s part. Rather, [Respondent] respectfully submits that the specimen functions as a point of sale display closely associated with the goods in the course of trade and in the customary method of presenting the goods to prospective customers. [Respondent] would also respectfully point out that the nature of the goods is such that applying or affixing the mark directly onto the product itself by marking or stamping is not feasible or desirable because the product is used in down hole oil drilling operations. Because the product is a highly engineered tool that operates within well casing to precise specifications of dimension, tolerance, and performance, any markings on the tool are to be avoided.

> For these reasons, [Respondent] asserts that the specimen document is suitable to show trademark use because it serves to identify the source of the goods at the point of sale in the ordinary course of trade that is customary for goods of this type in the relevant marketplace and industry. Accordingly, [Respondent] respectfully requests that the rejection of the specimen be withdrawn and that the application proceed to registration."

17. In view of the arguments made by Respondent's attorney of record in the Response to Office Action filed November 13, 2009, the Trademark Examining Attorney accepted the amendment to allege use based on respondent's "point of sale display" filed on April 9, 2009. The '596 Application was subsequently published on December 11, 2009, and the registration certificate was issued on January 12, 2010.

III. GROUNDS FOR CANCELLATION

A. Respondent Abandoned Its Mark VAC TECH

18. Baker Hughes re-alleges paragraphs 1-17 herein.

19. The listed goods of the '313 Registration for VAC TECH are "drilling machines; drilling machines and parts therefor;" however, neither Respondent nor its predecessor-in-interest has ever used the VAC TECH mark on or in connection with such goods. In particular, Respondent and its predecessor-in-interest never sold or transported, and never intended to sell or transport, in commerce "drilling machines; drilling machines and parts therefor," bearing the mark VAC TECH. Further, Respondent and its predecessor-in-interest never placed the mark VAC TECH on such goods or their containers or the displays associated therewith or on the tags or labels affixed thereto, or on documents associated with the goods or their sale. Instead, Respondent and its predecessor-in-interest used the mark on or in connection with different goods, i.e., mechanical downhole equipment for use in oil, gas and water wells, namely, downhole tool for removing debris from, and otherwise cleaning, wellbores and downhole casing and tubing.

20. The specimen filed with the USPTO by Respondent on April 1, 2009 shows use of the mark VAC TECH on or in connection with mechanical downhole equipment for use in oil, gas and water wells, namely, downhole tool for removing debris from, and otherwise cleaning, wellbores and downhole casing and tubing. The specimen filed on April 1, 2009 does not show use of the mark VAC TECH on or in connection with "drilling machines; drilling machines and parts therefor." Thus, Respondent failed to timely submit an appropriate specimen showing use of the mark VAC TECH on the goods listed in the '596 Application, namely, "drilling machines; drilling machines and parts therefor."

21. On information and belief, at the time of the filing of the various statements of use by Respondent in the '596 Application, the goods covered by the '313 Registration were not sold or transported to third parties, or were not goods in trade, bearing the mark VAC TECH.

22. As a result, Respondent has not used the mark VAC TECH on or in connection "drilling machines; drilling machines and parts therefor," in commerce within the meaning of the Lanham Act for at least three consecutive years and, thus, the mark VAC TECH, and the rights in the mark in the '313 Registration for "drilling machines; drilling machines and parts therefor," have been abandoned. Moreover, Respondent never used the mark VAC TECH prior to the expiration of the time period allowed for Respondent to file a proper Statement of Use in the '596 Application. Accordingly, Respondent has not used the mark covered by the '596 Application or the '313 Registration within the meaning of the Lanham Act.

23. Because neither Respondent nor its predecessor-in-interest has ever used the mark VAC TECH on or in connection "drilling machines; drilling machines and parts therefor," and more than three years has past, and the time period for Respondent to file a proper allegation of

use in the underlying application has long since expired, Respondent abandoned this mark for these goods and, therefore, the '313 Registration should be cancelled.

B. Respondent's Mark is Likely to Cause Confusion

24. Baker Hughes re-alleges paragraphs 1-23 herein.

25. Baker Hughes has been using its mark VACS on the goods listed in U.S. Trademark Application Serial No. 85/402,715 since at least as early as July 14, 1999. The goods listed in Baker Hughes' U.S. Trademark Application Serial No. 85/402,715 are identical to goods sold and offered for sale by Respondent in connection with its mark VAC TECH. Thus, Baker Hughes and Respondent are competitors in the field of downhole tools for removing debris from, and otherwise cleaning, wellbores and downhole casing and tubing.

26. Respondent's mark VAC TECH is substantially similar to Baker Hughes' mark VACS.

27. Respondent's actual VAC TECH branded products that it advertises, promotes, sells, leases, offers for sale, and/or offers for lease are downhole tools for removing debris from, and otherwise cleaning, wellbores and downhole casing and tubing, which are identical to Baker Hughes' VACS branded products that it advertises, promotes, sells, leases, offers for sale, and/or offers for lease.

28. The parties' respective customers and potential customers for their respective downhole tools for removing debris from, and otherwise cleaning, wellbores and downhole casing and tubing are virtually identical customer. The advertising media for the parties' respective downhole tools for removing debris from, and otherwise cleaning, wellbores and downhole casing and tubing, and the channels of distribution for these goods, are virtually identical.

29. Baker Hughes has been using its mark VACS on the goods listed in U.S. Trademark Application Serial No. 85/402,715 since at least as early as July 14, 1999. Over the past 13 years Baker Hughes has built a substantial amount of goodwill in connection with its mark VACS, and customers have come to associate the mark VACS with the aforementioned products as emanating from a single source, namely Baker Hughes.

30. In addition, upon information and belief, Respondent had actual knowledge of Baker Hughes' use of its mark VACS on goods that are identical to Respondent's goods well before Respondent began using its mark on goods identical to Baker Hughes' goods. Thus, Respondent's later adoption, use, and registration of its mark VAC TECH was intended to cause confusion among customer and potential customers. In particular, Respondent, intending to capitalize on the goodwill established by Baker Hughes' 13 years of use and unfairly compete with Baker Hugh by causing consumer confusion and diminishing the value of Baker Hughes' mark VACS, began using the mark VAC TECH in connection with downhole tools for removing debris from, and otherwise cleaning, wellbores and downhole casing and tubing, and fraudulently, or otherwise, obtained the '313 Registration.

31. In view of the similarity of the parties' respective marks, goods identified by these marks, customers and potential customers of the goods identified by these marks, advertising media used to promote and advertise the goods identified by these marks, and channels of distribution used by the parties to sell and offer for sale their respective goods identified by these marks, Respondent's mark so resembles Baker Hughes' mark as to be likely to cause the public to be confused, mistaken, or deceived into believing that Respondent's goods originate from Baker Hughes or are in some way related to, associated with, or sponsored by Baker Hughes and, thus, Baker Hughes is damaged or otherwise harmed. Accordingly, the likelihood of confusion

created by Respondent's mark VAC TECH damaged Baker Hughes and supports cancellation of the '313 Registration.

C. Damage/Harm to Baker Hughes

32. As set out above, Baker Hughes is being, and will continue to be damaged by the existence of Respondent's '313 Registration, because the continued registration of the mark of the '313 Registration, to which Respondent is not entitled, creates a likelihood of confusion as to the source of Respondent's goods and those of Baker Hughes. Further, Respondent fraudulently obtained the '313 Registration in violation of federal law. In addition, Respondent has asserted the '313 Registration as a basis to oppose Baker Hughes' application for registration of its mark VACS. Thus, the continued existence of the '313 Registration is being used, and will be used in the future, by Respondent to impair Baker Hughes' ability to freely use and register Baker Hughes' mark VACS.

33. Baker Hughes does not believe that any additional fee is due in connection with this filing; however, the Commissioner is authorized any fees that may be due, or credit any overpayment, to Greenberg Traurig Deposit Account No. 50-2638, Order No. 104697.016300.

PRAYER

WHEREFORE, Applicant/Petitioner Baker Hughes Incorporated prays that this Second Amended Petition for Cancellation be granted, that Respondent's trademark registration, U.S. Trademark Registration No. 3,738,313, be cancelled, and for any and all further other relief that the Trademark Trial and Appeal Board may deem just and proper.

Respectfully submitted,

DATED: June 12, 2013

/Anthony F. Matheny/
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CERTIFICATE OF SERVICE

I hereby certify that on June 12, 2013, a true and correct copy of the foregoing Second Amended Petition for Cancellation was served by first class mail, postage prepaid, on the following:

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